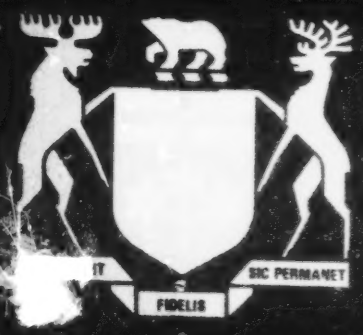
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A MESSAGE FROM THE PRESIDENT

I am pleased to present this review of the Corporation's third year of operations.

OIC is a provincial agency charged with developing international business opportunities in the field of capital projects and related goods and services. OIC measures its performance by the volume of fees and product sales flowing to its clients.

For the year 1983–84 fee income and product sales directly influenced by OIC totalled $20.5 million.

On March 1, 1984, the Ontario Educational Services Corporation (OESC) was merged with OIC and is now the Educational Services Division.

The merger of the two Corporations followed a mandatory "sunset review" of both agencies which occurred during the fiscal year. Concurrent with the March 1 reorganization, OIC was given a five-year renewal of its operating mandate.

OIC's primary function is to identify capital projects, for the private sector, and to assist the private sector to secure these projects by using the various programs at its disposal. This includes providing the expertise available in the various ministries of the Ontario government.

OIC acts as the primary marketing agency in international markets for Ontario Government expertise. The Corporation also provides a government-to-government link in the conduct of business with developing countries.

J.A. Young
Chairman and President

OUR PROVINCE IS EXPERTISE; OUR SKILL IS MARKETING IT ABROAD.

The potential market for capital projects for Ontario's architects, engineers, management consultants, planners and contractors, is in the order of $36.0 billion. That's approximately 1/3 of the value of international contracts awarded in 1983.

Although Ontario firms have had some success they have a relatively small share of the total market.

Ontario International Corporation's mandate is to increase its share of the market from approximately *1% to 2%* by the year 1988.

Some Ontario companies have made the effort to expand their client base beyond Canada to the international market and, the results have brought increases in revenues and profits.

There are a number of Ontario firms capable of winning contracts and performing successfully in the international market. However, only a small portion of them have chosen to pursue these markets mainly because of lack of experience and the reluctance that goes with not knowing the intricacies involved.

To increase that number and to help Ontario companies compete in highly competitive international markets, the Ontario International Corporation was established by the Ontario Government in 1980.

The Corporation assists Ontario's private sector in three ways:

1. AN INFORMATION RESOURCE FOR ONTARIO COMPANIES

Over the years, ministries and agencies of the provincial government have developed world class technological expertise, ranging from environmental systems to nuclear energy; educational systems to airport construction.

As mentioned earlier in this report one of OIC's prime interests is to assist private sector companies access to expertise within government ministries. This expertise improves the chances of success in an international bidding situation by improving the quality of the proposal.

One example of this cooperation is the Ontario Ministry of Natural Resources working with a number of Ontario companies in pursuit of a remote sensing project in Thailand.

Saudi Arabia

2. A COORDINATOR FOR CONSULTING AND TECHNICAL PACKAGES

Since capital projects often require diverse skills, the Corporation acts to bring those talents together and market them under a single umbrella.

This ability to help Ontario firms seek out the most suitable joint venture partners can provide a competitive advantage when competing on large projects.

OIC was able to bring together four Ontario firms into consortia that bid on and won major projects in Central America and the Middle East.

3. A GOVERNMENT—TO—GOVERNMENT CONTACT ABROAD

Many offshore projects are contracted by governments, mainly in the area of public works. Some of these governments prefer to deal with another government, and in these cases, the Corporation will act as a government-to-government contact for Ontario firms and consortia interested in such off-shore projects or joint ventures. Some examples in fiscal 1983–84 are the pursuit of environmental projects in Indonesia with a significant involvement from Ontario's Ministry of the Environment.

In the past fiscal year, OIC has also expanded its marketing capabilities in order to handle a much higher level of demand from Ontario's private sector. These initiatives included:

1. Selecting priority markets.
2. Identifying capital project opportunities.
3. Refining Ontario's export strengths.
4. Matching exporters' strengths to market requirements.
5. Obtaining support from Ontario Government Ministries for specific capital projects.

In 1983–84 OIC was involved in over 150 projects in 47 countries. This involvement ranged from providing financial assistance to Ontario companies under the Client Probe program to helping form consortia for major capital projects in South America.

OIC's marketing efforts were heavily concentrated in the Middle East and countries belonging to the Association of South East Asian Nations (ASEAN) covering Singapore, Indonesia, Malaysia, Thailand, the Philippines and Brunei.

Following are some examples of projects being pursued by our clients with OIC assistance.

Australia

Saudi Arabia

MIDDLE EAST

Kuwait: transportation, housing, communications.

Saudi Arabia: agriculture, energy, water, heavy equipment, transportation, airport construction, health care, highways.

SOUTH EAST ASIA

Thailand: brewing, thermal power.

Indonesia: transportation, education, industrial manpower training, housing, distribution.

Malaysia: education, industrial training.

Singapore: health, transit systems, construction.

AFRICA

Transportation/transit systems, rural electrification, flour milling, urban development, agriculture.

SOUTH AMERICA

Power, water, agriculture, industrial plants.

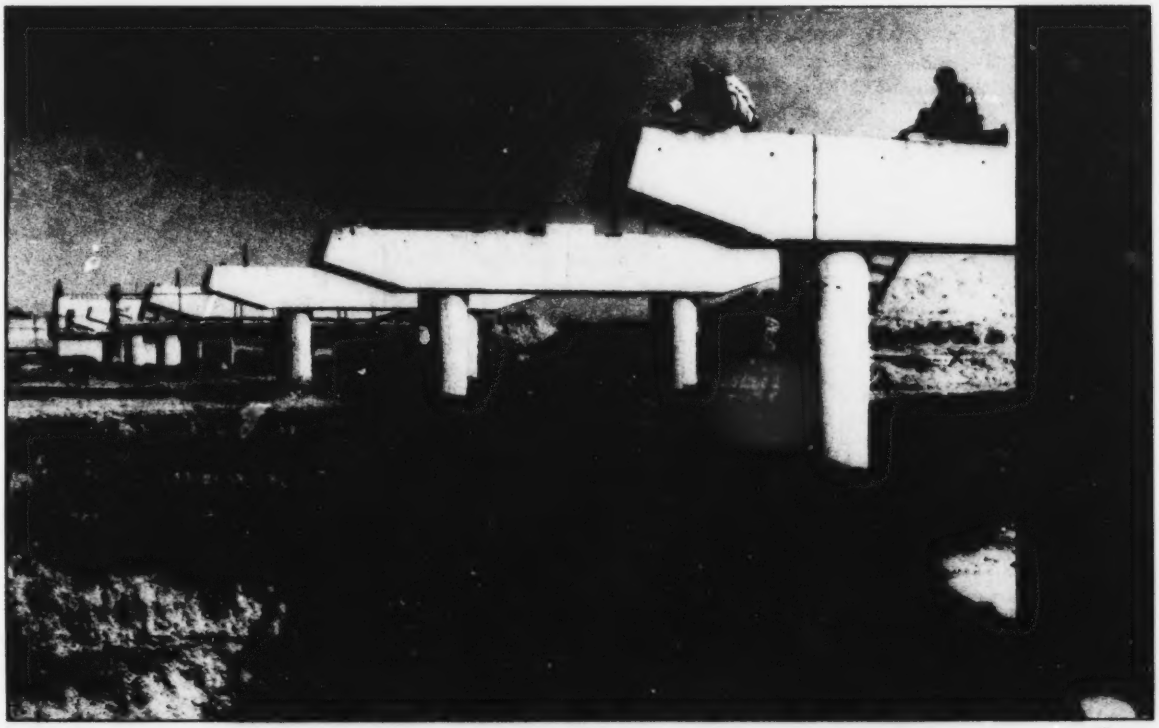
In fiscal 1983–84, OIC assisted 280 Ontario companies (including the formation of 8 consortia) in securing $20.5 million in fees and product sales. The target established by OIC is to increase this to $50.0 million in fee and product sales by fiscal 1988–89.

Many Ontario firms find a centralized entry point to the government's services more efficient and effective.

Layoffs, cutbacks and general belt-tightening that resulted from the recession which struck most of Ontario in 1982–83, confirmed the need for many Ontario companies to expand their market beyond Canada's borders.

Between April 1983 and March 1984, the Ontario International Corporation undertook a number of new marketing initiatives to assist firms throughout the province to expand internationally. The success of those efforts will be measured by similar initiatives on the part of Ontario companies.

For further information contact OIC's Head Office in Toronto at (416) 965-3013 or any of the 18 offices of the Ministry of Industry and Trade across Ontario.



Oman

FINANCIAL STATEMENT

STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1984

Administrative Expenses (note 3)	1984 $	1983 $
Salaries and Wages	366,739	317,076
Employee Benefits	40,851	68,259
Transportation & Communications	169,473	200,749
Services	155,444	83,635
Furnishings, Fixtures and Supplies	14,289	17,289
	746,796	**687,008**

See accompanying notes to financial statement.

On behalf of the Corporation:

Chairman and President

Vice-President

NOTES TO FINANCIAL STATEMENT
MARCH 31, 1984

1. BACKGROUND

The Ontario International Corporation was constituted on June 16, 1980 by Ontario Regulation 241 pursuant to section 5 of the Development Corporations Act. The Corporation was established without share capital.

The objects of the Corporation, as outlined in section 1 of the Regulation, included developing and promoting the export of Ontario goods and services on a competitive basis in domestic and international markets. Since inception, the Corporation has functioned as a primary marketing agency for specialized worldwide trade transactions on behalf of Ontario ministries, agencies and the private sector.

Effective March 1, 1984, regulation 241 was revised to expand the objectives of the Corporation to include the business and undertakings of the Ontario Educational Services Corporation. Corporate objectives now include the study, promotion and assistance of Ontario's educational and training resources for use in the international marketplace as well as the provision of educational and training services to the private and public sectors, both domestic and international.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting
The Corporation uses the cash basis of accounting for administrative expenses which is modified to allow an additional thirty days to pay for goods and services pertaining to the fiscal period just ended. In this regard, payments to employees for a pay period which overlaps the fiscal period end date are apportioned between the two periods.

(b) Furnishings and fixtures
Purchase of furnishings and fixtures for general office use are charged as administrative expenses in the year of acquisition.

3. ADMINISTRATIVE EXPENSES

Administrative expenses are paid out of moneys appropriated therefor by the Legislature of the Province of Ontario.

4. SUNSET CLAUSE

In accordance with section 18 of Ontario Regulation 241 the Corporation was to terminate on December 1, 1983. Orders in Council dated December 1, 1983 and February 16, 1984 allowed the Corporation to continue until March 1, 1984 and April 1, 1984 respectively.

A revision dated March 1, 1984 to regulation 241 of the Development Corporations Act established the Corporation until March 1, 1989.

5. ACQUISITION OF NET ASSETS OF ONTARIO EDUCATIONAL SERVICES CORPORATION

Order in Council 400/84 dated February 16, 1984 directed the transfer of all of the assets and liabilities of the Ontario Educational Services Corporation to the Ontario International Corporation. However, as of August 27, 1984, this transfer has not taken place.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Ontario International Corporation and
to the Minister of Industry and Trade.

I have examined the statement of expenditure of the Ontario International Corporation for the year ended March 31, 1984. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, this financial statement presents fairly the Corporation's expenditure for the year ended March 31, 1984 in accordance with the accounting policies described in note 2 to the financial statement, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister of Industry and Trade.

D.F. Archer

Toronto, Ontario,
August 27, 1984.

D.F. Archer, F.C.A.,
Provincial Auditor.

O.I.C. BOARD OF DIRECTORS

T. Philip Adams	*Assistant Deputy Minister* *Ministry of Education* *Toronto*
Robert F. Gulliford	*Vice-President* *International Banking* *The Royal Bank of Canada* *Toronto*
Ken Lawrie	*Architect* *Clifford, Lawrie, Bolton, Ritchie* *Toronto*
Jean E. Pigott	*Chairman of the Board* *Morrison, Lamothe Incorporated* *Ottawa*
Carl E. Stockman	*President* *Fodor Engineering Ltd.* *Don Mills*
Gerald R. Wooll	*President and Managing Director* *Genaire Limited* *St. Catharines*
John Wilson	*Manager - International Sales* *Canadian General Electric Co. Ltd.* *Toronto*
J.A. (Jack) Young	*Chairman and President* *Ontario International Corporation* *Toronto*
Donald D.C. McGeachy	*Business Consultant* *London*
James MacLaren	*Consulting Engineer* *James W. MacLaren* *Toronto*

ONTARIO
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An agency of the
Government of
Ontario/Canada